



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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January 16, 1996

Gary Applegate  
Indian Queen Marble  
P.O. Box 668  
Tooele, Utah 84074

Re: Transfer of Notice of Intention, Jeffrey Sagers, Ute & Wino/Indian Queen Mine, S/001/019, Beaver County, Utah

Dear Mr. Applegate:

Based on our phone conversation on January 16, 1996, it is my understanding that you intend to take over the mining and reclamation responsibility at the Ute & Wino/Indian Queen mine from Mr. Jeffrey Sagers, North American Resources. Mr. Sagers has not responded to our May 18, 1995, request to supply an accurate map of the disturbance at the Ute and Wino property (copy enclosed). You and I talked about the difference between a Large and Small mine operation and the fact that the current disturbance exceeds the five acre limit for a small mine (based on my inspection of January 11, 1996). As was discussed, we would like to work with you as expeditiously as possible to get this operation transferred from Mr. Sagers to yourself.

The first step involves completing the enclosed permit transfer form (MR-TRS). Mr. Sagers will need to sign the form as the current operator and you must complete the new operator section. Please have it notarized and return it to us within fifteen days. The next step would be to set up a meeting to discuss the necessary course of action to bring the mine into compliance with the Utah Mined Land Reclamation Act. This may require that you initiate reclamation to reduce the present disturbance down to five or less acres. This can be discussed in greater detail at the meeting as we go over the requirements of the Minerals Reclamation Program.

We hope that we can resolve this matter as soon as possible in order to avoid the need for any enforcement actions. It is our opinion that some minor regrading and seeding could be accomplished over a large amount of the unused disturbance and your assumed liability could be reduced significantly. Please feel free to call me or Mr. Wayne Hedberg at 538-5340, if you have any questions regarding this letter.

Sincerely,

Tom Munson  
Reclamation Specialist

jb  
Enclosure: 5/18/95 letter, MR-TRS  
cc: Gina Pack, BLM-Cedar City  
Jeffrey Sagers, S/001/019  
Wayne Hedberg, DOGM  
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